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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, February 15, 2000

JOINT PETITION OF

CASE NO. PUA990081

PEOPLES MUTUAL TELEPHONE COMPANY

AND

MJD VENTURES, INC.

For authority pursuant to § 56-88.1
of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 23, 1999, Peoples Mutual Telephone Company (“Peoples Mutual”) and MJD Ventures, Inc. (“MJD Ventures”), (collectively, “Joint Petitioners”), filed a joint petition with the Commission under Chapter 5 of Title 56 of the Code of Virginia (“Virginia Code”). Joint Petitioners request Commission authority for the acquisition of Peoples Mutual’s common stock by MJD Ventures.

On January 11, 2000, the Commission issued its Order for Notice and Comment. Joint Petitioners were required to give notice to the general public by publication in newspapers of general circulation in Peoples Mutual’s service territory and by direct service to the Chairman of the Board of Supervisors of any county and the Mayor or Manager of any county, city, or equivalent officials in counties, towns, and cities having alternate forms of government in Virginia. The proof of service and newspaper notice was filed with the Commission on February

9, 2000, as established by the January 11, 2000, Order. No comments or requests for hearing were filed in this case.

MJD Ventures is a Delaware corporation headquartered in Charlotte, North Carolina. MJD Ventures is a wholly owned subsidiary of MJD Communications, Inc. (“MJD Communications”), (collectively, “MJD”). As indicated in the joint petition and responses to staff interrogatories, MJD Communications and its subsidiaries provide incumbent local exchange service and competitive local exchange service and resell long distance service. Peoples Mutual provides telecommunications services to approximately 7,800 access lines to customers located in Pittsylvania County, Virginia.

Peoples Mutual and MJD Ventures have entered into a Stock Purchase Agreement (“the Agreement”) dated December 10, 1999, through which the shareholders of Peoples Mutual have agreed to sell and MJD Ventures has agreed to purchase all of the issued and outstanding common stock of Peoples Mutual. Joint Petitioners represent that the proposed stock transfer will not impair the continued provision of adequate service to the public at just and reasonable rates. Joint Petitioners further represent that there will be no rate impact on current customers of Peoples Mutual as a result of the proposed stock transfer as current rates on file with the Commission will continue to be in effect after the stock purchase. Service after the purchase will be maintained at existing levels and all service employees will be retained after completion of the purchase of common stock.

The purchase price to be paid by MJD Ventures in exchange for the common stock of Peoples Mutual was determined through a bidding process followed by arm’s length negotiations between Joint Petitioners.

Staff filed its report on February 14, 2000, in which it recommended approval of the proposed transfer of control of Peoples Mutual to MJD Ventures.

THE COMMISSION, upon consideration of the joint petition and representations of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described acquisition and disposition of all the issued and outstanding common stock of Peoples Mutual Telephone Company as set forth herein will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be authorized. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to Virginia Code §§ 56-88.1 and 56-90, Peoples Mutual Telephone Company and MJD Ventures, Inc., are hereby granted authority for the acquisition by MJD Ventures, Inc., and the disposition by Peoples Mutual Telephone Company of all of the issued and outstanding common stock of Peoples Mutual under the terms and conditions as described herein.
- 2) The authority granted herein shall have no ratemaking implications.
- 3) Joint Petitioners shall file with the Commission a report of the action taken pursuant to the authority granted herein within sixty (60) days of closing the transaction authorized herein. Such report shall include the date of closing, the sales price, and the actual accounting entries to reflect the transaction.
- 4) There appearing nothing further to be done in this matter, it hereby is dismissed.